

May 22, 2002

**IMPLEMENTATION OF CHANGES IN THE CO-PAYMENTS FOR INPATIENT
HOSPITAL CARE AND OUTPATIENT MEDICAL CARE PROVIDED TO VETERANS
BY THE DEPARTMENT OF VETERANS AFFAIRS**

1. PURPOSE: This Veterans Health Administration (VHA) Directive restates the Department of Veterans Affairs (VA) policy for charging inpatient co-payments and provides the guidance for implementing the outpatient co-payment changes for charging outpatient co-payments. Several changes have been made to the outpatient co-payment tier designations that were previously implemented with VHA Directive 2001-072. **NOTE:** *There will be no changes in the current process for the assessment of inpatient co-payment charges.*

2. BACKGROUND: Public Law 106-117, The Veterans Millennium Health Care and Benefits Act, gave the Secretary of Veterans Affairs the authority to establish outpatient co-payment amounts. The law did not provide any authority to implement changes to the inpatient co-payment process. This directive restates policy as it applies to inpatient co-payments. The final regulation implementing the changes for the outpatient co-payments was printed in the Federal Register on December 6, 2001.

3. POLICY: It is VHA policy outpatient co-payments are assessed based upon the level of service provided; three tiers of outpatient co-payments were implemented. The outpatient co-payment tier designations that have changed are provided in this directive and are effective July 1, 2002 (see Att. B). Corrected billings will not be required for co-payment designations which have been changed. A Veterans Health Information Systems and Technology Architecture (VistA) patch will be released to accommodate the changes. **NOTE:** *See Attachment C for tier designations effective now.*

4. ACTION

a. The facility Director is responsible for ensuring that:

(1) Attachment C is in effect until June 30, 2002, and remains in effect thereafter with the exception of the changes noted in Attachment B. The changes in Attachment B take effect July 1, 2002.

(2) On July 1, 2002, the primary care co-payment is referred to as basic co-payment. **NOTE:** *The basic co-payment rate remains at \$15.*

(3) On July 1, 2002, the specialty care co-payment is referred to as specialty co-payment. **NOTE:** *The specialty co-payment rate remains at \$50.*

(4) On July 1, 2002, outpatient care provided through the Fee Basis system is subject to outpatient co-payments. Billing staff must review documentation or claims submitted by the fee-basis provider to determine the services provided. Billing staff then must refer to Attachments B and C of this directive to determine the co-payment assignment.

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b. **Inpatient Hospital Care.** For Inpatient Hospital Care, the provisions of Title 38 United States Code (U.S.C.) 1710(f) provide that the co-payment for inpatient hospital care during any 365-day period is:

(1) The lesser of:

(a) The inpatient Medicare deductible for the first 90 days of care and one-half of the inpatient Medicare deductible for each subsequent 90 days of care during a 365-day period; or

(b) VA's cost of providing the care; and

(2) \$10 for every day the veteran receives inpatient hospital care.

c. **Outpatient Care.** For Outpatient Care, a three-tiered co-payment system will be effective for all services provided on an outpatient basis. The co-payments are based on basic care visits, specialty care visits and visits with no co-payment designations as determined by the Decision Support System (DSS) stop codes. The use of these stop code designations and the related co-payments are consistent for all facilities. Medical centers do not have the authority to charge a different co-payment for services. Locally developed stop codes will automatically default to the basic care co-payment tier unless otherwise determined by VA Central Office that the clinic needs to be defined as requiring no co-payment or specialty care. The co-payment designations are updated on an annual basis to coincide with any changes made to the DSS stop codes. Refer to Attachment A for the DSS stop code and co-payment designations.

d. The following explanations are provided to describe the outpatient co-payment tiers.

(1) **No Co-payments.** Services for which there is no co-payment assessed are: publicly announced VA public health initiatives (e.g., health fairs) or an outpatient visit consisting solely of preventive screening and/or immunizations (e.g., influenza immunization, pneumococcal immunization, hypertension screening, hepatitis C screening, tobacco screening, alcohol screening, hyperlipidemia screening, breast cancer screening, cervical cancer screening, screening for colorectal cancer by fecal occult blood testing, and education about the risks and benefits of prostate cancer screening). **NOTE:** *These initiatives are viewed as cost-effective for health care in that they often provide early detection of irregularities or abnormalities that can be resolved without major intervention.* Also exempt from co-payments are laboratory, flat film radiology services, and electrocardiogram. **NOTE:** *These services are considered to be a part of the initial provision of care and a separate co-payment will not be charged.*

(2) **Basic \$15 Co-payment.** Basic co-payment includes, but is not limited to primary care. Services provided by professionals traditionally included in "Allied Health Professions," or construed as part of an extended primary care team may be considered as basic health care. Examples may include physical therapy, dieticians, etc. A primary care outpatient visit is an episode of care furnished in a clinic that provides integrated, accessible health care services by clinicians who are accountable for: addressing a large majority of personal health care needs, developing a sustained partnership with patients, and practicing in the context of family and community. Primary care includes, but is not limited to: diagnosis and management of acute

and chronic biopsychosocial conditions, health promotion, disease prevention, overall care management, and patient and caregiver education. Each patient's identified primary care clinician delivers services in the context of a larger interdisciplinary primary care team. Patients have access to the primary care clinician and much of the primary care team without need of a referral.

(3) **Specialty \$50 Co-payment.** A specialty care outpatient visit is an episode of care furnished in a clinic that does not provide primary care, and is generally provided through a referral. Some examples of specialty care provided at a specialty care clinic are: surgical consultative services, radiology services requiring the immediate presence of a physician, audiology, optometry, cardiology, magnetic resonance imagery (MRI), computerized axial tomography (CAT) scan, nuclear medicine studies, and ambulatory surgery.

e. If a veteran has one or more basic care encounters on the same day and no specialty care encounter on that day, the basic co-payment for one visit is charged for that day. If a veteran has one or more basic care encounters and one or more specialty care encounters on the same day, the specialty co-payment for one visit is charged for that day.

f. If a veteran is required to make a co-payment for extended care services that were provided either directly by VA or obtained for VA by contract on the same day as having an outpatient visit, the outpatient co-payment will not be charged. The extended care co-payment will be charged for those extended care services.

g. The following veterans are not subject to the co-payment requirements for inpatient hospital care or outpatient medical care:

- (1) Veterans with a compensable service-connected disability.
- (2) Veteran who are former prisoners of war.
- (3) Veterans awarded a Purple Heart.
- (4) Veterans who were discharged or released from active military service for a disability incurred or aggravated in the line of duty.
- (5) Veterans who receive disability compensation under 38 U.S.C. 1151.
- (6) Veterans whose entitlement to disability compensation is suspended pursuant to 38 U.S.C. 1151, but only to the extent that the veteran's continuing eligibility for care is provided for in the judgment or settlement described in 38 U.S.C. 1151.
- (7) Veterans whose entitlement to disability compensation is suspended because of the receipt of military retirement pay.
- (8) Veterans of the Mexican border period or of World War I.

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(9) Military retirees provided care under an interagency agreement as defined in section 113 of Public Law 106-117.

(10) Veterans who VA determines to be unable to defray the expenses of necessary care under 38 U.S.C. 1722(a).

h. The following services are not subject to the co-payment requirements for inpatient hospital care or outpatient medical care:

(1) Special registry examinations (including any follow-up examinations or testing ordered as part of the special registry examination) offered by VA to evaluate possible health risks associated with military service;

(2) Counseling and care for sexual trauma as authorized under 38 U.S.C 1720D;

(3) Compensation and pension examinations requested by the Veterans Benefits Administration;

(4) Care provided as part of a VA-approved research project authorized by 38 U.S.C. 7303;

(5) Outpatient dental care provided under 38 U.S.C. 1712;

(6) Readjustment counseling and related mental health services authorized under 38 U.S.C 1712A;

(7) Emergency treatment paid for under 38 U.S.C. 1725 or 1728;

(8) Extended care services authorized under 38 U.S.C. 1710B;

(9) Care or services authorized under 38 U.S.C. 1720E for certain veterans regarding cancer of the head or neck;

(10) Care authorized under 38 U.S.C. 1710(e) for Vietnam-era herbicide-exposed veterans, radiation-exposed veterans, Gulf War veterans, or post-Gulf War combat-exposed veterans; and

(11) Care provided to a veteran for a non-compensable zero percent service connected disability.

i. Outpatient co-payment collections are deposited into the Medical Care Collections Fund (36_5287.1).

5. REFERENCES

a. Public Law 106-117.

b. Title 38 U.S.C. 1710(a), (f), and (g).

6. FOLLOW-UP RESPONSIBILITY: The Associate Chief Financial Officer for Revenue (174) is responsible for the contents of this directive.

7. RESCISSIONS: VHA Directive 2001-072 is rescinded. This VHA Directive expires May 31, 2007.

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Under Secretary for Health

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ATTACHMENT A

DECISION SUPPORT SYSTEM (DSS) STOP CODES
AND CO-PAYMENT TIER TABLE

1. For fiscal year 2002, the DSS stop codes and co-payment tiers in Attachment B and Attachment C must be used for all outpatient co-payment activity. Outpatient co-payments will be based on basic visits, specialty visits and no co-payment designations as determined by DSS stop codes. The use of these stop code designations and the related co-payments must be consistent for all facilities. Medical centers do not have the authority to charge a different co-payment for services. **NOTE:** *Locally developed stop codes will automatically default to the primary care co-payment tier. Co-payment designations are updated on an annual basis to coincide with any changes made to the DSS stop codes.*

2. Clinics for which no co-payments are charged are designated as “NON.” Basic co-payment clinic designations are indicated with “B;” specialty co-payment clinic designations are indicated with “S.”

ATTACHMENT B

**DECISION SUPPORT SYSTEM (DSS) STOP CODES AND CO-PAYMENT TIER
TABLE FOR WHICH CHANGES HAVE BEEN MADE**

This table reflects co-payment tier designations for which changes have been made and are effective July 1, 2002. **NOTE:** *Refer to Attachment C for co-payment designations for which no changes have been made.*

<u>DSS Stop Code</u>	<u>Tier</u>
154 MEG	S
155 Info Assist Technology	S
163 Chaplain	NON
164 Chaplain	NON
294 Observation Blind Rehab	S
318 Geriatric Clinic	B
332 PreBed RN Med	B
351 Advanced Illness Coordinated Care	B
417 Prosth/Orthotics	B
433 PreBed RN Surg	B
436 Chiropractic Care	B
501 Homeless Mentally Ill Outreach	NON
505 Day Treatment Ind	B
506 Day Hospital Ind	B
519 Substance Use Disorder	B
533 MH Intervention Biomed Care	B
540 PTSD	B
547 Intensive Subs Abuse	B
552 MH Intensive Case Mgt	B
553 Day Treatment Group	B
554 Day Hospital Group	B
561 PCT PTSD – Group	B
562 PTSD Individual	B
563 MH Prim Care Team Group	B
564 MH Team Case Mgt	B
565 MH Medical Care Only – Group	B
566 MH Risk Factor Reduction Ed Group	B
580 PTSD Day Hosp	B
581 PTSD Day Treatment	B
707 Smoking Cessation	B
708 Nutrition	B

ATTACHMENT C

**DECISION SUPPORT SYSTEM (DSS) STOP CODES AND CO-PAYMENT TIER
TABLE**

This table reflects co-payment tier designations for which no changes have been made.
NOTE: Refer to Attachment B for changes.

Clinic Number	Clinic Name	Tier
101	EMERGENCY UNIT	S
102	ADMIT/SCREENING	B
103	TELEPHONE TRIAGE	NON
104	PULMONARY FUNCT	S
105	X-RAY	NON
106	EEG	S
107	EKG	NON
108	LABORATORY	NON
109	NUCLEAR MEDICINE	S
115	ULTRASOUND	S
116	RESPIRATORY THERAPY	S
117	NURSING	NON
118	HOME TRTMT SVCS	B
119	CNH FOLLOW-UP	B
120	HEALTH SCREENING	NON
121	RESID CARE-NON MH	B
122	PUB HEALTH NURS	NON
123	NUTR/DIET - IND	B
124	NUTR/DIET - GRP	B
125	SOCIAL WORK SVC	B
126	EVOKED POTENTIAL	S
127	TOPO BRAIN MAP	S
128	PROL VIDEO - EEG	S
144	RADIONUC THERAPY	S
145	PHARMAC PHYSIOL	S
146	PET	S
147	PHONE/ANCILLARY	NON
148	PHONE/DIAGNOSTIC	NON
149	RAD THERAPY TRMT	S
150	COMPUT TOMOGRA (CT)	S
151	MAG RES IMAG (MRI)	S
152	ANGIOGR CATHETERIZ	S
153	INTERVEN RARIOGRAPH	S
160	CLINICAL PHARM	NON
165	BEREAVE. COUNSEL	NON
166	CHAPLAIN-IND	NON

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Clinic Number	Clinic Name	Tier
167	CHAPLAIN-GROUP	NON
168	CHAPLAIN	NON
	COLLATERAL	
169	TELEPHONE/CHAPLAIN	NON
170	HBPC PHYSICIAN	B
171	HBPC-RN/RNP/PA	B
172	HBPC-NURSE EXTEND	B
173	HBPC-SOCIAL WORK	B
174	HBPC-THERAPIST	B
175	HBPC DIETICIAN	B
176	HBPC-CLIN PHARMACY	B
177	HBPC-OTHER	B
178	TELEPHONE/HBHC	NON
179	TELE HOME CARE	NON
180	DENTAL	B
181	TELEPHONE/DENTAL	NON
190	ADULT DAY HEALTH	B
201	PM & RS	S
202	REC THERAPY	NON
	SERVICES	
203	AUDIOLOGY	S
204	SPEECH PATHOLOGY	S
205	PHYSICAL THERAPY	B
206	OCCUPATION THPY	B
207	PM & RS INCENTIVE	NON
208	PM & RS COMP WORK	NON
209	VIST COORD.	NON
210	SCI	S
211	POST-AMPUTATION	S
212	EMG	S
213	PM & RS VOC ASSIST	NON
214	KINESIOTHERAPY	B
215	SCI HOME PROGRAM	NON
216	PHONE REHAB SUPP	NON
217	BROS-BLIND REHAB	S
	SPEC	
218	CAT BLIND REHAB	S
290	OBSERVATION	S
	MEDICINE	
291	OBSERVATION	S
	SURGERY	
292	OBSERV PSYCHIATRY	S
293	OBSERVATION	S
	NEUROLOGY	

Clinic Number	Clinic Name	Tier
295	OBSERV SPINAL CORD	S
296	OBSERV	S
	REHABILITATION	
301	GENERAL INT MED	B
302	ALLERGY IMMUNOL	S
303	CARDIOLOGY	S
304	DERMATOLOGY	S
305	ENDOCR/METAB	S
306	DIABETES	S
307	GASTROENTEROLOGY	S
308	HEMATOLOGY	S
309	HYPERTENSION	B
310	INFECTIOUS DIS	S
311	PACEMAKER	S
312	PULMONARY/CHEST	S
313	RENAL/NEPHROL	S
314	RHEUM/ARTHRITIS	S
315	NEUROLOGY	S
316	ONCOLOGY/TUMOR	S
317	COUMADIN CLINIC	B
319	GERIAT EVAL/MGT (GEM)	B
320	ALZH/DEMEN/CLIN	S
321	GI ENDOSCOPY	S
322	WOMENS CLINIC	B
323	PRIM CARE/MED	B
324	PHONE MEDICINE	NON
325	PHONE NEUROLOGY	NON
326	PHONE GERIATRICS	NON
327	INVASIVE O.R. PROC	S
328	MED/SURG DAY MSDU	B
329	MEDICAL PROC UNIT	S
330	CHEMO UNIT-MED	S
331	PRE-BED M.D. - MED	S
333	CARDIAC CATH	S
334	CARDIAC STRESS TEST	S
350	GERIATRIC PRIM CARE	B
401	GENERAL SURGERY	S
402	CARDIAC SURGERY	S
403	ENT	S
404	GYNECOLOGY	S
405	HAND SURGERY	S
406	NEUROSURGERY	S
407	OPHTHALMOLOGY	S

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Clinic Number	Clinic Name	Tier
408	OPTOMETRY	S
409	ORTHOPEDICS	S
410	PLASTIC SURGERY	S
411	PODIATRY	B
412	PROCTOLOGY	S
413	THORACIC SURGERY	S
414	UROLOGY	S
415	VASCULAR SURGERY	S
416	AMB SURG EVAL(NON-MD)	NON
418	AMPUTATION CLIN	S
419	ANES PRE/POST-OP CONS	S
420	PAIN CLINIC	S
421	VASCULAR LAB	S
422	CAST CLINIC	NON
423	PROSTHETICS SVCS	NON
424	PHONE SURGERY	NON
425	TELE/PROSTH/ORTH	NON
426	WOMEN SURGERY	S
428	TELEPHONE OPTOMETRY	NON
429	OUTPAT CARE IN O.R.	S
430	CYSTO ROOM UNIT	NON
431	CHEMO UNIT-SURG	S
432	PRE-BED MD-SURG	S
435	SURGICAL PROC UNIT	S
450	C & P EXAMS	NON
451	451-LOCAL CREDIT PAIR	NON
452	452-LOCAL CREDIT PAIR	NON
453	453-LOCAL CREDIT PAIR	NON
454	SPECIAL REGISTRY 5	NON
455	455-LOCAL CREDIT PAIR	NON
456	SPECIAL REGISTRY 6	NON
459	SPECIAL REGISTRY 8	NON
460	460-LOCAL CREDIT PAIR	NON
461	SPECIAL REGISTRY 1	NON
462	462-LOCAL CREDIT PAIR	NON
463	463-LOCAL CREDIT PAIR	NON
464	464-LOCAL CREDIT PAIR	NON
465	465-LOCAL CREDIT PAIR	NON
466	466-LOCAL CREDIT PAIR	NON
467	467-LOCAL CREDIT PAIR	NON
472	472-LOCAL CREDIT PAIR	NON

Clinic Number	Clinic Name	Tier
473	473-LOCAL CREDIT PAIR	NON
474	RESEARCH	NON
475	475-LOCAL CREDIT PAIR	NON
478	478-LOCAL CREDIT PAIR	NON
479	SPECIAL REGISTRY 4	NON
481	481-LOCAL CREDIT PAIR	NON
483	483-LOCAL CREDIT PAIR	NON
502	MENTAL HEALTH-IND	B
503	MEN HLTH RESID CARE	B
507	DRUG DEPEND-IND	Inactive
509	PSYCHIATRY-IND	S
510	PSYCHOLOGY-IND	S
512	PSYCHIATRY CONS	S
513	SUBST ABUSE-IND	B
514	SUBST ABUSE-HOME	B
516	PTSD GROUP	B
520	LT ENHANCE INDIV	B
521	LT ENHANCE GROUP	B
522	HUD-VASH	NON
523	OPIOID SUBSTITUTION	NON
524	ACT DUTY SEX TRAUMA	NON
525	WOM STRESS TREAT	NON
527	PHONE GENERAL PSYCH	NON
528	PHONE/HMLESS MENT ILL	NON
529	HCHV/HMI	NON
530	TELEPHONE/HUD-VASH	NON
531	MH PRIM CARE TEAM- IND	B
532	PSYC/SOC REHAB-IND	B
535	MH VOCAT ASSIST	NON
536	TELE/MH VOC ASSIST	NON
537	TELE PSYC/SOC REHAB	NON
538	PSYCHOLOGICAL TESTING	S
542	TELEPHONE PTSD	NON
545	TELE SUBSTANCE ABUSE	NON
546	TELEPHONE/MHICM	NON
550	MENTAL HYG-GRP	B
557	PSYCHIATRY-GROUP	B
558	PSYCHOLOGY-GROUP	B
559	PSY/SOC REHAB-GRP	B
560	SUBST ABUSE-GRP	B

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Clinic Number	Clinic Name	Tier
573	MH INCEN THER-GRP	NON
574	MH COMP WK THER-GRP	NON
575	MH VOCAT ASSIST-GRP	NON
576	PSYCHOGERIA CLIN/INDV	B
577	PSYCHOGERIA CLIN/GRP	B
578	PSYCHOGERIA DAY PGM	B
579	TEL/PSYCHOGERIATRICS	NON
589	N.A. DUTY SEX TRAUMA	NON
590	COMM OUTR HMLS- STAFF	NON
602	CHRON AST H-DIAL	S
603	LIM SELF H-DIAL	S
604	HOME H-DIAL TRNG	S
606	CHRON AST P-DIAL	S
607	LIM SELF P-DIAL	S
608	HOME P-DIAL TRNG	S
610	CONTRACT DIALYSIS	S
611	TELEPHONE DIALYSIS	NON
650	CONTRACT NH DAYS	NON
651	STATE NH DAYS	NON
652	STATE DOM DAYS	NON
680	HOME/COMM ASSESS	NON
681	VA-PD HOME/COMM HC	NON
682	VA-REF HOME/COMM CARE	NON
702	CHOLESTER SCREEN	NON
703	MAMMOGRAM	NON
706	ALCOHOL SCREEN	NON
709	PHYS FIT/EXER CS	NON
710	INFLUENZA IMMUNIZ	NON
711	INJ CS/SEAT BELT	NON
725	DOM OUTREACH SERVICE	NON
726	DOM AFTERCARE COMMUN	NON
727	DOM AFTERCARE-VA	NON
728	DOM ADMIT/SCREEN SVC	B

Clinic Number	Clinic Name	Tier
729	TELEPHONE/ DOMICILIARY	NON
730	DOM GENERAL CARE	NON
731	PRRTP GENERAL CARE	NON
999	EMPLOYEE HEALTH	NON
ASI		NON
DDC		NON
ECS		NON
MTL		NON
NUR		NON
UNK		NON

All locally developed stop codes
must be designated as B